Corporation File

Anglin-Norcross Corporation Limited

and Subsidiary Companies

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE PERIOD ENDING DECEMBER 31ST, 1946

TO THE SHAREHOLDERS:

On behalf of your Directors, I submit the Annual Report of your Company for the year 1946.

An increased volume of business is reflected in this Statement, and particular reference is drawn to the following items:—

EARNINGS for the year amounted to $90,383. an increase of $36,291. over 1945. Earnings on the Common Stock for the year were $13.77 per share as compared with $8.24 per share in the year 1945.

FINANCIAL POSITION of the Company continues to be strong. The Balance Sheet shows that Current Assets of $1,468,336. exceed Current Liabilities of $652,230. by $816,106. and an increase in working capital during the past year of $63,968.

MATERIAL AND PERISHABLE TOOL ACCOUNT is substantially higher due to increased quantity of granite being processed by your Subsidiary, Anco Granites Limited, and to larger inventories of materials purchased for projects under construction.

BONDS AND INVESTMENT ACCOUNT is reduced to provide the necessary additional funds, required by increased volume of operations.

PLANT AND EQUIPMENT ACCOUNT is increased by the purchase of additional units of equipment and by the replacement of obsolete machines.

MILE END PLANT value has been appraised and adjusted downward.

PROPERTIES, MONTREAL, have been reduced by the sale of property no longer essential to the business.

DEPRECIATION RESERVE—Provision has been made for depreciation in the amount of $28,838. for the year less an amount of $24,306. written off to cover the disposal of assets either by sale or caused by obsolescence, leaving a net addition to the Depreciation Reserve of $4,531.

DIVIDEND—An annual dividend of $1.50 per share plus an extra dividend of $1.00 per share for the year 1946 was declared by your Directors and made payable 1st February 1947.

PROFIT SHARING PLAN—Modification of the Wartime Salaries Order permitted action under this plan.

OPERATIONS—Volume during 1946 increased somewhat over the previous year. Business carried forward into 1947 is substantial. Although shortages of materials and skilled workers delayed progress on contracts during 1946, indications are that increased quantities of materials are becoming available and that the rehabilitation and apprentice programmes are beginning to alleviate shortages of mechanics. Certain projects have been deferred because of higher construction costs but a large demand for construction appears to be continuing.

RESEARCH—Cost studies were continued throughout the year to develop more economical building methods. Increased labour costs and lower productivity together with the development of new types of equipment, indicate an increasing advantage in furthering the mechanization of operations. Preliminary cost studies were prepared during the year for numerous contemplated construction projects.

STAFF—The appreciation of the Directors is recorded for the loyal and efficient service rendered by the staff throughout the year.

Respectfully submitted on behalf of the Directors,

PHILIP NORCROSS GROSS
PRESIDENT

MONTREAL, APRIL 15TH, 1947.

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Assets

CURRENT ASSETS:			
Cash on Hand and in Banks		$153,837.61	
Bonds and Investments—At Cost (Market Value $316,481.75)		310,659.47	
Accounts Receivable		924,678.27	
Material and Perishable Tool Inventories at the lower of Cost or Market		79,160.94	
TOTAL CURRENT ASSETS			$1,468,336.29
Refundable Portion of Excess Profits Tax			39,373.93
FIXED ASSETS:			
Plant and Equipment, At Cost		473,910.85	
Office Building and Iberville Granite Cutting Works, At Cost	$133,304.40		
Mile End Yard—Buildings, At Cost	15,116.05		
Mile End Yard—Land as appraised by Westmount Realties Limited, Feb. 5th, 1946	35,000.00		
Properties—Montreal	1,585.68	185,006.13	
		658,916.98	
Less: Depreciation Reserve		430,737.78	228,179.20
			$1,735,889.42

We have audited the Books and Accounts of ANGLIN-NORCROSS CORPORATION LIMITED, and its Subsidiaries, Anglin-Norcross Quebec Limited, Anglin-Norcross Ontario Limited, Anco Granites Limited, Anglin-Norcross Maritime Limited and Rosslin Improvement Company Limited, for the year to December 31, 1946.

We have verified the Securities and the Revenue therefrom. The usual Depreciation has been provided on Buildings, Plant and Equipment.

In our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Company. All our requirements as Auditors have been complied with.

WILSON, BIRNIE & SEYMOUR,
Chartered Accountants

MONTREAL, FEBRUARY 4TH, 1947.

Approved— { PHILIP N. GROSS / THOMAS A. GUNN } Directors

Clients - 1946

Abbott Laboratories Limited
American Can Company
Ayerst, McKenna & Harrison Limited
Bank of Montreal
Barclays Bank (Canada)
Barrett Company Limited
Belding-Corticelli Limited
Colonel A. L. Bishop
Bon Ami Limited
Brandram-Henderson Limited
Allan Bronfman Esq.
Building Products Limited
Canada Building Materials Limited
Canada Cycle & Motor Company Limited
Canada Linseed Oil Mills Limited
Canada Permanent Mortgage Corporation
Canadian Arsenals Limited
Canadian Bank of Commerce
Canadian General Electric Company Limited
Canadian Nashua Paper Company Limited
Canadian Pacific Railway Company
Carter's Ink Company of Canada Limited
Chateau Apartments
Cine-World Canadian (Papineau) Corporation
Consumers' Gas Company
R. L. Crain Limited
Crystal Glass & Plastics Limited
Dominion Bridge Company Limited
Dominion of Canada Department of Munitions & Supply
Dominion Glass Company Limited
Dominion Rubber Company Limited
Louis Drummond Esq.
Drummondville Cotton Company Limited
Eastman Photographic Materials Limited
T. Eaton Company Limited of Montreal
Firestone Tire & Rubber Company of Quebec Limited
Fry-Cadbury Limited
The Garth Company
W. & A. Gilbey Limited
Globe & Mail
Chas Gurd & Company Limited
J. O. Hastings Esq.
Hobbs Glass Limited
Frank W. Horner Limited
Kellogg Company of Canada Limited
Kendall Brothers Incorporated
A. C. Leslie & Company Limited
Lewis Brothers Limited
Eli Lilly & Company (Canada) Limited
Lion Vinegar Company Limited
Merck & Company Limited
Robert Mitchell Company Limited
Montreal Cottons Limited
North American Life Assurance Company
Northern Miner Press Limited
Ontario Research Foundation
Orange Crush Limited
Pepsi-Cola Company of Canada Limited
Price Brothers & Company Limited
Province of Ontario Department of Public Works
Rosslin Improvement Company Limited
Sangamo Company Limited
Seven-Up of Montreal Limited
J. R. Short Milling Company (Canada) Limited
The Singer Manufacturing Company
Standard Brands Limited
Toronto Daily Star
Turner & Newall (Canada) Limited
Windsor Hotel Limited

Surplus—Earned

Profit on Completed Contracts and Work in Progress after providing for all Operating Expenses and Depreciation of $28,838.23, together with Income from Investments of $17,578.32 for the year to December 31st, 1946		$209,479.90
DEDUCT:		
Directors Fees	$ 2,750.00	
Executive Remuneration	38,007.05	
Legal Fees	200.00	
Provision for Income and Excess Profits Taxes	78,139.07	119,096.12
Net Profit for Year to December 31st, 1946		90,383.78
Earned Surplus, December 31st, 1945	854,984.54	
Add: Reserve for Profit Sharing Plan transferred to Surplus	20,486.00	
	875,470.54	
DEDUCT:		
Adjustment re Appraisal of Land at Mile End Yard	25,525.00	849,945.54
		940,329.32
DEDUCT:		
Dividend on Common Shares @ $2.50 per Share		16,400.00
EARNED SURPLUS, *December 31st, 1946*		$ 923,929.32

Consolidated Balance Sheet

December 31st, 1946

Liabilities

CURRENT LIABILITIES:		
Accounts and Bills Payable	$573,397.00	
Dividend Payable (Declared Payable Feb. 1st, 1947)	16,400.00	
Provision for Income and Excess Profits Taxes (After prepayment of $15,750.00)	62,433.07	
TOTAL CURRENT LIABILITIES		$652,230.07
Investment Reserve		87,556.10
CAPITAL STOCK:		
Common, No Par Value		
Authorized 10,000 Shares		
Issued 6,560 Shares		32,800.00
SURPLUS—EARNED	923,929.32	
SURPLUS—DEFERRED		
Refundable Portion of Excess Profits Tax	39,373.93	963,303.25
		$1,735,889.42

Anglin-Norcross Corporation Limited

BOARD OF DIRECTORS

J. P. Anglin	Montreal	P. N. Gross	Montreal
F. H. Bacque	Toronto	T. A. Gunn	Montreal
G. W. Birks	Montreal	J. E. Harrington	Montreal
H. J. Gross	Montreal	W. S. Leslie	Montreal

OFFICERS

Chairman of the Board . . . . . Henry J. Gross
President . . . . . Philip Norcross Gross
Vice-President . . . . . William G. Lambert
Vice-President . . . . . Robert W. Johnstone
Vice-President and Secretary-Treasurer . . . . . Thomas A. Gunn
Assistant Secretary-Treasurer . . . . . Lester S. Underwood

SUBSIDIARY COMPANIES

Anglin-Norcross Quebec Limited . . . . 892 Sherbrooke St. W., Montreal
Anglin-Norcross Ontario Limited . . . . 57 Bloor Street West, Toronto
Anglin-Norcross Maritime Limited . . . . . 319 Roy Building, Halifax
Anco Granites Limited . . . . . Iberville, Que.
Rosslin Improvement Company Limited . 892 Sherbrooke St. W., Montreal